

**MAYOR'S COMMISSION ON WATER POLICY
REVIEW & MONITORING
AGENDA**

**MAYOR'S COMMISSION ON WATER POLICY
REVIEW & MONITORING
NOTICE OF PUBLIC MEETING
TUESDAY, APRIL 18, 2023
11:00AM – 12:00PM**

**City Hall, Council Chambers
201 N. Montezuma Street
3rd Floor
Prescott, Arizona 86303
928-777-1130**

The following Agenda will be considered by the **Mayor's Commission on Water Policy Review & Monitoring** at the meeting to be held **April 18, 2023**. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

MEMBERS	
James (Jim) Lamerson, Chair	Robert (Bob) Roecker, Vice Chair
Gary Beverly, Member	Michael Taylor, Member
Gillian Haley-Meierbachtol, Member	Gary Worob, Member
Peter Kroopnick, Member	Mayor Phil Goode, Council Liaison

4. Discussion & Possible Action Items
 - A. Approval of March 21, 2023, Meeting Minutes
Recommended Action: MOVE to approve minutes as presented (Attachment A)
 - B. Proposed Recommendations for 2022 Water Management Policy, Policies 1-22
 1. Policy 1
Recommended Action: Move to approve Commission Recommendation for Policy 1 as presented.
 2. Policy 3
Recommended Action: Move to approve Commission Recommendation for Policy 3 as presented.
 3. Policy 4
Recommended Action: Move to approve Commission Recommendation for Policy 4 as presented.
 4. Policy 5
Recommended Action: Move to approve Commission Recommendation for Policy 5 as presented.
 5. Policy 6
Recommended Action: Move to approve Commission Recommendation for Policy 6 as presented.

6. Policy 7
Recommended Action: Move to approve Commission Recommendation for Policy 7 as presented.
7. Policy 8
Recommended Action: Move to approve Commission Recommendation for Policy 8 as presented.
8. Policy 9
Recommended Action: Move to approve Commission Recommendation for Policy 9 as presented.
9. Policy 10
Recommended Action: Move to approve Commission Recommendation for Policy 10 as presented.
10. Policy 13
Recommended Action: Move to approve Commission Recommendation for Policy 13 as presented.
11. Policy 14
Recommended Action: Move to approve Commission Recommendation for Policy 14 as presented.
12. Policy 15
Recommended Action: Move to approve Commission Recommendation for Policy 15 as presented.
13. Policy 16
Recommended Action: Move to approve Commission Recommendation for Policy 16 as presented.
14. Policy 18
Recommended Action: Move to approve Commission Recommendation for Policy 18 as presented.
15. Policy 19
Recommended Action: Move to approve Commission Recommendation for Policy 19 as presented.
16. Policy 20
Recommended Action: Move to approve Commission Recommendation for Policy 20 as presented.
17. Policy 21
Recommended Action: Move to approve Commission Recommendation for Policy 21 as presented.

C. Draft Synopsis of Recommendations related to the 2022 Water Management Policy
Discussion and possible action regarding Draft Synopsis of Recommendations for Policies 1-22. (Attachment B)

D. May 9th Council Study Session Presentation

Discussion regarding items to be discussed and presented at the Tuesday, May 9th City Council Study Session.

E. Next Meeting: May 16, 2023

1. Outcomes from City Council Study Session on May 9th
2. Possible continuation of Policy recommendations for the text pages 1-15 and attachments

5. Adjournment

CERTIFICATION OF POSTING OF NOTICE

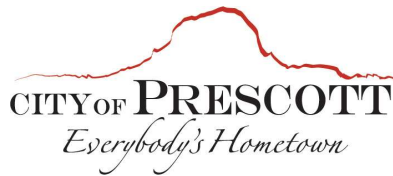
The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 4/12/23 at 1 pm in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Siep

Sarah Siep, City Clerk

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48 hours advanced notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 777-1272 to request an accommodation to participate in this public meeting. Prescott TDD number is (928) 445-6811. Additionally, free public relay service is available from Arizona Relay Service at 1-800-367-8939 and more information at www.azrelay.org

Attachment A



**MAYOR'S COMMISSION ON WATER POLICY
REVIEW & MONITORING
MINUTES**

**MAYOR'S COMMISSION ON WATER POLICY
REVIEW & MONITORING
TUESDAY, MARCH 21, 2023
11:00AM – 12:00PM**

**City Hall, Council Chambers
201 S. Cortez St.
Prescott, Arizona 86303
928-777-1130**

Minutes for the **Mayor's Commission on Water Policy Review & Monitoring** meeting held
March 21, 2023.

1. Call to Order

Chairman Jim Lamerson called the meeting to order at 11:00 a.m.

2. Pledge of Allegiance

3. Roll Call

Phil Goode	Mayor – Excused
James (Jim) Lamerson	Chair – Present
Robert (Bob) Roecker	Vice Chair – Present
Gary Beverly	Member – Present
Gillian Haley-Meierbachtol	Member – Present (11:05 a.m.)
Peter Kroopnick	Member – Present
Michael Taylor	Member – Present
Gary Worob	Member – Present

4. Discussion & Action Items

A. Approval of Minutes from February 12, 2023

MOTION BY MEMBER PETER KROOPNICK TO APPROVE THE FEBRUARY 12, 2023 MEETING MINUTES; MOTION SECONDED BY MEMBER GARY WOROB PASSED [6-0]

B. Draft Recommendations

Staff Liaison Leslie Graser opened up discussion for the Draft Recommendations document. She explained that this meeting's goal was for members to review and elevate priority items that the commission determines are most important as a whole. The policy matrix document the commission has been utilizing with member comments was displayed. Ms. Graser continued, and discussed the process, which includes the succinct data in the document moving through to Council with high level items, and specific policies to be elevated.

Member Taylor commented that member Gary Beverly's comments were beneficial, especially with them being distributed to the commission members. Member Peter Kroopnick's comments were received as well, and copies of both provided were provided to members during the meeting. She agreed that a sampling of what other members have submitted would be beneficial.

Ms. Graser further discussed the policy matrix document. Just as members were requested to complete information and submit comments, the same information was requested of City staff. Per Ms. Grasser, it appears that staff approached the subject of the Water Policy from a different direction than that of the commission members, which actually provides a benefit having both perspectives.

Following the matrix discussion, Ms. Graser presented the draft synopsis of recommendations for Council and asked of the commission if all comments received for each policy are requested, or if the focus shall be for more urgent matters.

Related to a staff comment on Policy 1, Member Kroopnick inquired about the Board of Adjustment. Ms. Graser deferred to Community Development Planner, Tammy DeWitt. Per Ms. DeWitt, the Board of Adjustment reviews conditional use permits or variances (setbacks, etc.), often through water applications coming through the site plan and other processes. Currently, the water application process includes review by the Board of Adjustment, review by Planning & Zoning, review by the Water Issues Subcommittee, then review by City Council. It may be helpful to have language added to the Water Policy explaining one planning process, rather than multiple processes.

Member Gillian Haley-Meierbachtol commented from the perspective of the construction industry. Per Ms. Haley-Meierbachtol, the administrative process has unintended effects that take place which may not be water related, and in some instances causes delays. Member Gary Worob requested clarification regarding the water application process. Per Ms. DeWitt, the site plan review and any application that goes through the Water Issues Subcommittee will go through the planning process if the request is over one acre foot. Public Works staff reviews the application, and if the request for water is over one acre foot the applicant is required to apply for a site plan. The site plan comes through Planning & Zoning, and then on to the Water Issues Subcommittee. If approved for recommendation by the Water Issues Subcommittee, it then goes before City Council.

Member Haley-Meierbachtol suggested Policy 2 be reviewed as far as administrative abilities, as it affects the process. Per Ms. DeWitt, there are some commercial applications that may be a little over one acre foot due to the landscaping portion. However, one of the General Plan questions, is the desire to become a tree city. The decreasing landscaping in order to fall below the one acre foot requirement is creating an issue with that. Member Haley-Meierbachtol added that there are a number of other checks and balances within City Code that address landscape issues, so reviewing Policy 2 is important.

Ms. Graser commented on landscaping in general related to the Water Policy, and pointed out that it runs through the various policies in different ways. She displayed the current low water use plant list and reference in City Code, and also explained that from regulatory standpoint, the requirement is to have low water plants in public right of ways. The reduction of landscaping requirement is a request, however, there are a lot of other interconnects affected. Chairman Lamerson opened up the topic of landscaping as it relates to the Water Policy for discussion.

Member Beverly commented that landscape water use is very large and appropriate to be considered in this policy, and the historical average is about 28% or 1800 acre feet per year applied seasonally. Ms. Graser displayed the chart provided by Member Beverly.

Member Beverly continued, and commented that with the Water Resource Management Model (WRMM), more data is available. However, since the 2022 Code, there hasn't been a lot of data to support whether or not it works or is effective. He continued, and said there was a strong possibility that people overwater or don't manage their water usage well. Specifying low water plants is not an adequate step on its own, and the City has GIS based water billing data and WRMM to better track. If the low water plant requirement doesn't work need, there must be an alternative option to replace it.

Member Worob commented that he supports member Beverly's comments. He added that a heat island effect is a concern with a lack of trees, and would like to see more rainwater harvesting and storm water harvesting. Using raised bed planters with rainwater running right past them instead of into them was an example of a situation that could be remedied.

Member Haley-Meierbachtol commented about influencing people's behavior, and the possibly to evaluate further. She compared a low flush toilet as a controlled behavior with landscaping not being a controlled behavior. She added that if there were a tool for people to use to understand their water usage, such as an app, it may prove beneficial. Member Beverly agreed with her comment, and stated that water controls need to be improved and monitored.

Vice Chairman Bob Roecker inquired about the City providing a list for low water/drought tolerant plants to nurseries? Per Ms. Graser, yes, conservation planning included that as part of a three year focus on outdoor watering. The current practices may be different now; however, conservation is always in water management conversation. There is a lot of social outreach and education involved to enact a change. Local nurseries have come a long way, compared to 12 years or so ago.

Member Kroopnick inquired about a process to track landscaping requirements through Code Enforcement, or a way to educate water users on what has been used and how they could improve. Ms. Graser responded and explained that auto metering is an option, and at some point, the City may need to review options further.

Member Taylor commented that he agreed with member Beverly, in that landscape water usage is a main focus. There are implications with any recommended updates or changes, therefore water aspects need to be addressed specifically. Chairman Lamerson commented on landscaping, and a concern with altering the landscape and changing the environment of Prescott. Member Beverly commented that it was a valid concern, however, there are benefits to altering the landscape to maximize water treatment and recharge.

Ms. Graser commented that landscaping is one of many topics. The intent at this meeting was to have recommendations, rather than focusing on one data set, like rainwater harvesting, for example. At the start of the commission meetings, the Water Policy from 2019 was compared with the new 2022 policy. Since then, the Water Policy versus a long term water plan was also discussed. If landscaping / seasonal water use patterns is one of the topics to be evaluated more, that can be done, however it may need to be at a later date.

The list of approved projects under existing contract list was displayed, and Ms. Graser discussed WRMM involvement. The disconnects within the WRMM and how that affects the current policy were explained by Ms. Graser, as well as state involvement and final plats, and the relationship to groundwater allowance.

A potential disconnect example would be if staff were not utilizing the WRMM. There needs to be consideration applied in how the WRMM relates to the Water Policy, as some City decisions don't necessarily align.

Member Worob referred to Ms. DeWitt and Community Development Planning Manager, George Worley, and inquired about approved recommendations from Council, and following that who in Planning & Zoning is set up to monitor or implement the recommendations. Mr. Worley responded, and explained that there are often multiple places to monitor, and nothing is static. People sometimes change the landscaping from the original, for a new purchase for example. However, monitoring would require staff in the field as well. He concluded by commenting that some monitoring we have control of, and some we do not. Ms. Graser agreed, and added that another example would be a retired couple selling their home to a family of five. Staff must be mindful of such changes and closely monitor community changes to their best abilities.

Expanding on monitoring, Ms. Graser discussed the current water obligations of the City. When the monitoring practices were changed in 2017/2018, there were over 600 contracts. Some disconnects were created with the 2019 Water Policy changes. There used to be water service agreements that moved to contract status. Currently, there are water service applications. A future option may include a long term water plan, however, there are many elements involved.

C. Next Meeting's Materials

Ms. Graser requested of the commission to please provide comments and feedback for recommendations as soon as possible if they have not been submitted already.

The next meeting will take place on April 18, 2023 at 11:00 a.m., in the new Council Chambers located at the new City Hall building 201 N. Montezuma Street, third floor.

5. There being no further items to discuss, Chairman Lamerson adjourned the meeting at 12:07 p.m.

Marikay Whisenand, Administrative Specialist

Jim Lamerson, Chairman

Date: _____

Attachment B

Mayor's Commission for Water Policy Review and Monitoring – DRAFT Recommendations on the 2022 Water Management Policy

BACKGROUND INFORMATION:

City Clerk's Commission Documentation: The Mayor's Commission for Water Policy Review was established in May 2022. The purpose for establishing the Mayor's Commission for Water Policy Review is for review and monitoring of the City's updated Water Policy, adopted by Council on April 26, 2022.

The Committee consists of eight (8) members appointed by the Mayor for the term of his office. The membership term is Mayor's Term. The Committee will meet on the third Tuesday of each month, starting on June 21, 2022. <https://www.prescott-az.gov/board/water-policy-review-monitoring-commission/>

2022 Water Management Policy: <https://www.prescott-az.gov/water-sewer/water-management/water-policy/>

DRAFT SYNOPSIS of RECOMMENDATIONS:

The City's Water Resource Management practices underwent significant changes during the approximate 2018-2021 timeframe, and it appears many processes and tracking practices were eliminated by the 2019 policy (Res. No. 2019-1722). With the 2019 policy, there were also Prescott City Code changes to 2-1-8, 2-1-12, 2-1-18, 2-1-24, 2-1-76, 3-10, and LDC 6.5. During this time, significant supplies were placed into development agreement contracts or within contract amendments. The amounts being issued or modified appears to be 1,821 AF. The 2019 policy stated no contracts, so other water approvals (as a water service application) were made and are memorialized within Council minutes. The remainder were deemed administrative approvals, not subject to Council approval, and may be in the City's database known as "Central Square". For the 2022 water policy, the City returned to a 2018 water policy to use as a base document. Upon review, it appears the work of the staff tasked with the revisions (policy development team) produced a document that has disconnects (didn't have a procedure in place for staff, can't be tracked well with practice previous to the 2019 policy, doesn't exist such as metering to check an applicant can meet the policy, isn't well defined, may not align with city codes, etc) where two or more thought processes on water management were attempted to be fused

- It is recommended the City continue with the 2022 policy as it is more effective than the 2019 policy for managing finite water supplies; however, it should remove or correct any language that the City doesn't or can't actually act upon. Some policies that don't have clear procedures for staff and the applicant may need to be removed until such time procedures are in place and can be enforced fairly.
- It is recommended the City begin the process to develop a long-term water management plan, incorporating the water resource management model and appropriate legal documents.

With the Commission identifying disconnects in the 2022 policy, i.e. recommendations for or concerns with 16 of 22 policies, within the documents text (pages 1-15 and attachments), as well as other comments, it is evident the City is lacking a long-range water management plan to carry the City's water health and safety when there are changes from one elected and leadership bodies to another. The 2022 policy may bridge the City while a long-term plan is developed and aligns with its pending Decision and Order of Assured Water Supply (DAWS) which is currently under review with ADWR. Alignment with the City's 2025 General Plan will also be important. Note that the City's service area extends outside of its General Plan area.

- It is recommended the City develop procedures for the use of the Water Resources Management Model (WRMM) that are not currently reflected in the policy. The WRMM appears to be a tool that needs to be fully employed as part of the City's long-term planning tools; however, it is evident there is limited understanding and use of it when the 2022 water policy is examined. It may be important for a team within the City to examine it and set forth meaningful and reproducible tasks from it which inform City elected and leadership, and aid in long-term planning. It is concerning as it appears the 2022 water policy is allocating supplies beyond the WRMM as filed with the City's pending DAWS. That is, it appears policy allocates before those uses are verified in the WRMM. Further, the WRMM is updated starting in January of each year.

RECOMMENDATIONS:

The Commission's recommendations will be group by those specific to the Policy's policies 1-22 (Section 5), and text (Section 1-4). The Commission had additional comments on other items that may or may not be in the 2022 policy, and those are also captured in this document. The Commission was provided several work items to help review and formulate their input on this Policy. During an exercise related to garnering input on the effectiveness and comments on this policy the response matrix was also provided to City staff. Their input has been reviewed and incorporated. All input received has been saved and is available upon request. Last, at the Council meeting held on 12/20/22 additional language was approved related to policy 14 for an appeal process when applicants seek greater volumes than are available during a 6-month allocation period.

Policies 1-22 (Section 5 - pages 15 to 18)

The Commission and City staff (Community Development and Public Works Permit Center) provided comments, sought clarification, or questioned policies 1, 3-5, 6, 8-10, 13-16, and 18-21. This is 16 of the 22 policies, which is significant. Below, each policy was described, Committee and Staff comments were included, and recommendations were provided. *This is a draft document for the use by the Commission to prepare for their April 18, 2023 meeting. A corresponding worksheet is included to be completed with a "yes" or "no", by policy number, for a Commissioner's vote for whether to move or not move a recommendation to Council. This worksheet must be completed before the meeting.* These recommendations will be provided to Council at their May 9th Study Session.

Policy 1 – Filing of a water application in conjunction with a preliminary (site plan) or final plat.

Commission comment: Uncertain as to how this is working.

Staff comment: Difficulties related to the requirement for a site plan and it being moot for parcels that have already been developed, as well as the costs incurred by the applicant for a site plan when there are no changes. The process that a project may need to go through is lengthy, some go to Board of Adjustments (BOA), Planning and Zoning, Council Subcommittee for Water Issues, and City Council. Further note that decisions made at BOA cannot be appealed at City Council.

Commission Recommendation: Council seek a recommendation from Community Development for how to resolve this City process to better serve the applicant and allow for an improved process for City staff.

Policy 3 – Determining water usage is based on the WRMM unless a demand analysis is requested by the City.

Commission comment: The City is allocating for residential usage at 0.17 Af/year/unit for Single-Family, and 0.12 Af/year/unit for multi-Family. The Commission understands this is based on using City billing data and averaging it. It is understood that actual billed usage is important to know, but it doesn't protect the City's supplies from possible overuse (by one or many customers) nor from over allocation by the City. When does the City know that all the supplies have been offered for use and if those uses provided for a well-balanced community (residential has the support services needed i.e. hospitals, grocery stores, police and fire protection, schools which all also require supplies to operate)?

Commission comment: We haven't seen how the City uses the WRMM to develop and execute this and other policies. If the WRMM is updated at the end of each calendar year, yet water is being allocated ahead of each update do you run the risk of over allocating in the long-term? If each new request is not checked in the WRMM at the land/parcel level to verify what the WRMM has identified this could be problematic.

Staff comment: 9 out of 10 projects in Calendar 2022 could have been administratively approved (under 1 AF) if there were reduced or no landscaping required. In many cases outdoor water use drives the water demand 2-3 times what is needed inside the building. A rewrite of the LDC with regards to landscaping and landscape irrigation to support water conservation would be appropriate. This could include sun setting the need for irrigation of plants long-term. Further, the Commission has recognized the important role that landscape water has in water policy. There is a long-standing request to analyze landscape water use using a proposal/data request from a Commissioner.

Staff comment: This policy states, "The WRMM...incorporating the most recent rolling 5-year Average." The WRMM doesn't calculate the estimated water usage using a rolling 5-year average.

Commission Recommendations: 1) Protect the allocation and in turn the City's future ability to handle unforeseen circumstances by setting a water allocation figure for residential based on the WRMM's City-wide residential usage number with a .5 increase. For example, $0.17 + (.17 \times .5) = 0.26$ AF/SFR and $0.10 + (.10 \times .5) = 0.15$ AF/MFR.

NOTE: Hold this steady until either WRMM averages change by 0.5 (up or down) OR the City's D&O modification is completed and this needs to be reassessed. Alternatively, "If a project is using more than planned, staff should investigate and take corrective action, which should be determined and might include: a substantial water rate surcharge, improved water conservation measures, reductions in landscape water use, or offset actions."

2) Council seek a recommendation from Community Development to determine the area of Code (Landscape Development Code) that needs to be updated to allow for further reduced landscaping (more than the use of the ADWR low-water use plant list) and what those redlines to the code should be extending to the sun setting of the irrigation of long-term plan. Is the Council in agreement to reduce landscaping understanding possible implications (ie. Counter to Tree City USA discussion at GP, heat island effects, etc.) 3) Correct the 2022 policy to state how the WRMM averages are determined and when they should be presented to the City's Elected in Council or Subcommittee meetings. If recommendation 1 of this section is applied, annual updates to the elected body may not be necessary. 4) The Council should verify if the WRMM is being use when new applications come in for either Residential or Non-Residential that may seek densities higher than what the WRMM shows. For example, if the WRMM identifies a parcel for 22 MFR, but the new application for water seeks 100 MFR, what does the city do? 5) Conduct an analysis of landscape water use

Policy 4 - If a water use estimate cannot be determined by the WRMM or from similar usage estimate from a like facility, then an analysis is performed by a Civil Engineer at the applicant's expense.

Committee comment: It appears that in some cases actual water usage has exceeded the stated demand provided by the applicant or calculated by the city and subsequently approved by Council. Ex. If the City approved 17.7 AF/year in 2020 yet 2021 billed usage = 19.8 AF/yr and 2022 billed usage = 24.1 AF/yr. The Committee has discussed that there should be accountability for usage higher than approved by Council in minutes or in a contract. The proposed accountability measures may include a surcharge, increase water rates for amounts over the requested, or the customer resubmitting an application stating the new, actual amount of water needed.

"As discussed in today's Water Committee (8/2/2022) meeting, the allocation of water for new development has no use enforcement. Gwen gave a good, but brief description on how the current procedure differs from the previous. She or Leslie should repeat this carefully for the committee members. I would like to see added to the policy a penalty phase in which after 4 or 5yrs if the water usage exceeds the allocation the fee structure changes. Perhaps in at first small steps, then large ones as a percentage overage. For example, first 10% over a 50% increase, 20% over 100%. With the WRMM it would be easy to flag such an overage and take action."

“If a project is using more than planned, staff should investigate and take corrective action, which should be determined and might include: a substantial water rate surcharge, improved water conservation measures, reductions in landscape water use, or offset actions.”

Committee comment: What would be the parameters, measurements, or circumstances that would trigger this policy? Does this policy only apply to new applicants? Seems that current unit allotments (0.17) don't provide for usage changes that may occur.

Staff comment: It may take 3-5 years of water bills to determine if the estimates are close to what is shown in the WRMM.

Staff comment: There is no active tracking by the city to determine and address these types of concerns stated above. This policy didn't have an implementation plan to follow the concerns noted above.

Commission Recommendation: Council seek examples for how the WRMM is being used to meet this policy and then make adjustments to policy as needed.

Policy 5 - The City may require a cost benefit analysis for any project ...to help evaluate whether a project is an appropriate use of the City's limited water resources.

Committee comment: This policy should add the statement that a cost benefit analysis may be required for any project requesting new or increased water service from the City. The way it is written now sounds like any project could be subjected to this requirement. If a cost/benefit analyses are required, not only does a grading criterion needs to be spelled out but also a very specific list of what is to be provided in the analysis. Attachment 7 doesn't have the details necessary.

Committee comment: It seems that the use of the term “appropriate use” would require council involvement.

Staff comment: No cost-benefit analysis has been requested. This is generally used with large annexations. It is not clear if there are processes in place for staff to know when this policy would be employed nor how to assist an applicant through the step.

Commission Recommendations: 1) City will need to determine when a cost-benefit analysis is necessary such as a very specific list of requirements, the grading criteria for when a project qualifies for this type of applicant expenditure, and also how the responses will be assessed by Staff and Council. Policy statements that that City doesn't act upon gives the community a false understanding of the efforts the City makes for water resource allocation and how they manage limited supplies. Policies that don't have clear procedures for staff and the applicant may need to be removed until such time procedures are in place and can be enforced fairly.

Policy 6 - Water service applications will expire 1 year after the date the application was submitted.

Commission comment: This is not clear, is there a list that can be provided? Do a lot of projects apply, but then are subject to expiration?

Commission comment: Does this process work for larger projects that may not be able to advance to a building plan or plat for the project described within a year? One issue with the 'one-year' expiration is projects may go through the water allocation process first to verify if they will be granted water prior to commencing formal design efforts. Depending on the scope of the project, design and permitting can often exceed one year.

Staff comment: This has not happened yet.

Commission Recommendation: Council verify the City has a process for identifying which applications have meet this policy and how they will be identified it the city's databases so they can be addressed. Policy language may need to be adjusted for larger projects which typically have longer timetables. Consistency or clarification needs to be added between this policy and Policy Attachment 5.

Policy 7 - A property with an existing entitlement (in a contract) must fully utilize the water before approving additional water for the property.

Commission comment: This is not clear. What if the "entitlement" is not within a contract but was administratively approved, or approved in Council minutes in the last few years where the 2019 policy stated no contracts would be written? What if the request for additional supplies is in a groundwater subdivision where a contract may not exist, yet the subdivision existed for inclusion in the City's first D&O and identified to be served with existing groundwater supplies?

Staff comment: The Preserve at Prescott is the only example of this policy where an additional 7 SFRs were approved.

Staff comment: What if the property wants to increase units or usage and the WRMM states a certain water amount or number of units? This is like the concerns noted in policy 4.

Commission Recommendation: TBD

Policy 8 – Redevelopment of property that will result in less total water use will be required to submit an application. All such request will be presented to the Water Issues Subcommittee and the Council semi-annually in January and July...and shall not be included in the Water Budget. In the event the redevelopment requires more water than the existing use it may apply for additional water and the water shall be included in the Water Budget.

Commission comment: Why would a reduction in water usage that is submitted on a water service application not be included in the water budget?

Commission comment: Policy 8 and 9 – both say that water variances “shall not be included in the Water Budget” How is this additional water usage being tracked? In a deduction from the 1,977 AF?

Staff comment: What is the purpose of tracking property that uses less water? The WRMM is a more effective tool for water conservation effectiveness and tracks water usage by class (e.g. residential, non-res, industrial).

Commission Recommendation: 1) Council seeks the tracking of properties that have redeveloped from the July 22 to Dec 22 timeframe. If a portion or all of this policy doesn't provide meaningful water management or doesn't have tracking, then the policy may need to be reassessed. 2) Council request information from the staff about how the WRMM tracks water conservation effectiveness. Pending how it is determined will then provide frequency of reporting to Council and potentially how much conservation must yet be achieved, but note that this discussion of conversation deviates from the thrust of policy 8 and 9 so a separate conversation on conservation appears to be needed.

Policy 9 – Any property that holds a water Contract within City limits to receive water will be required to submit an application and shall not be included in the Water Budget.

Commission comment: It is not clear how many contracts the City has and why this is only for City limits? Doesn't the City hold contracts outside of City limits too? Do different contracts have different requirements? Does any property need to submit the water service application if they have a water contract or is it any property wishing to connect to the water system needs to submit?

Staff comment: Those with existing contracts that are approved for water are posted to the City website 2x/month.

Commission Recommendation: Council seeks from the 2022 policy development team a comprehensive list of the City's obligations at the time of the 2022 policy enactment. Total volume allocated, volume per unit type, number of units, special conditions, etc should also be made available for each commitment that was deemed “existing”. Further what is the timeframe and definition for existing?

Policy 10 – All new development projects shall connect to and be served by the City sewer system prior to physical delivery of any water service by the City. New non-residential development projects shall return no less than 75% of the water sold as wastewater to the City Water Reclamation Facility.

Commission comment: This policy is not being monitored so it is ineffective. The Commission understands that the City doesn't install a meter on each development's sewage return flows, so either before or after the fact the City can't apply this policy. Average return flow to the city has been shown to be about 65%. Also, the policy conflicts with Policy 17.

City Code states, “Return of Water: Potable water will not be provided to any project that will not return to the City’s sanitary sewer system at least seventy-five percent (75%) of the water served.” So even in code the city enacted something it can’t uphold.

Commission comment: How is the 75% monitored?

Commission comment: The City can achieve the 75% return if landscape water use is reduced.

Staff comment: There is an exception to this policy in City Code, 2-1-76. If the sewer main is not adjacent or abutting the property, then sewer connection is not required. This is not applied to subdivisions but is applied to individual lots in areas without sewer mains.

Commission Recommendation: Council seeks further information from the policy development team to address the items noted. If a policy is not attainable, not able to be monitored, or is inconsistent with other documents then it will need to be addressed with a full understanding of the situation and defensible data.

Policy 13 – Non-residential development water budget for request greater than 1 AFY will be reviewed by the Water Issues Subcommittee and Council taking into account estimated water use and the benefits to the City. Administratively approved projects (Policy 2) shall be included in the Water Budget.

Commission comment: A set of guidelines outlining how projects are reviewed is needed. At this time, there isn’t a reference for why a project proceeds, it seems that they all do. If that is the case, then why have these statements as a policy?

Commission Recommendation: TBD

Policy 14 – No single Water Service Application will be approved for water usage estimates greater than 50% of the remaining semi-annual Water Budget. There is an appeal process that the applicant shall demonstrate the benefits to the City such as job creation, wages, sales tax, economic impacts or other benefits to the City. On December 20, 2022, City Council added additional language to this policy, “If City Council grants an appeal, the amount of water granted in the appeal *would not* reduce the remaining budget for that 6-month period by a commensurate amount.”

Commission comment: Related to the original policy, it is suggested adding language that to require a cost benefit analysis as required elsewhere in the policy instead of ambiguous language about “demonstrate benefits”. There needs to be a specific set of guidelines for approving appeals.

Commission comment: I’d like to see data on an on-going basis of projects submitted for water allocation, acre-feet requested and whether they are approved or disapproved and, if disapproved, why? Is there a list available of projects that have not been approved?

Commission comment: The appeal section should be more specific. To justify an appeal, the current policy requires substantial benefits to the City including job creation, wages, sales tax, economic impacts. The appeals description should be expanded. These added requirements directly address the purpose of Policy 14:

- “Substantial Benefits” should be better defined and expanded. Add Workforce housing and define it.
- An appeal should include a statement by the applicant of the substantial benefits.
- City staff should analyze the claimed impacts to infrastructure and to police and emergency services.
- The developer must mitigate any unacceptable effects to critical city services. Mitigation can include:
 - Offsets to the added water use. For example, an offset might be to require the developer to replace high water-use toilets in low-income homes, or in homes using septic tanks, with efficient toilets in such quantity to compensate for the amount of the excess water appeal. The offset water quantity should “be retained in the WRMM as committed demand, and not used to support additional development” as provided in Policy 20.
 - Stormwater collection managed to recharge the aquifer instead of detention in ponds designed for evaporation.
 - Supplementing existing City codes to maximize wastewater collection.
 - Supplementing existing City codes to eliminate the use of groundwater for landscape irrigation.

Commission comment: If an appeal is granted, and the resulting water does not reduce the water budget, why do we even have a water policy? In the case of Palmer apartments, they were granted an amount larger than the entire 6 month allocation with NO effect on the water budget yet small projects are having to go through the entire process to get a few acre feet. My suggestion would be to look at distributing the water given by appeal over several water budget cycles, ie; if an appeal grants a project 25 acre feet, it would reduce the water budget by 5 acre feet per cycle for the next 5 cycles. This seems more in keeping with the intent of the water budget.

Commission Recommendation: 1) Council seek to roll any unused volumes to the following 6-month period. However, it would caution the transferring of commercial water budget to the residential water budget until there is clear information from Community Development and possibly other departments that the residential already approved had the complimentary support services (upsizing existing commercial, added commercial, job creation, fire and police, etc) planned and their water needed. 2) The appeal process needs to be more specific, having some distinct, non-negotiable requirements, as well as deducting the volume granted from the remaining volume the City has to allocate.

Policy 15 – Water supplies associated with an existing Contract, shall not be amended to increase the number of lots or volume of water used, require a new Water Service Application, and will be evaluated according to the current Water Management Policy and Water Budget.

Commission comment: It appears that this may not be being enforced.

Commission Recommendation: TBD

Policy 16 – When a Contract expires, the associated volumes of water shall be returned to the water portfolio.

Commission comment: Clarify, is returning the water to the water resource portfolio the same as adding it back to the water budget?

Commission Recommendation: Council request from the policy development team how this policy is being managed and provide the supporting information (tables, etc).

Policy 18 – No new Contracts for water outside of City limits shall be approved except as provided by Prescott City Code 2-1-8. Commitments to serve water outside City limits within existing Contracts will be met.

Commission comment: This is not clear and is deemed ineffective when the city has a General Plan document that envisions more growth into areas that are not already annexed.

Staff comment: No provisions made for groundwater subdivisions outside the City limits. Groundwater subdivision increase the groundwater allotment and do not reduce the City's water portfolio. The city can require connection to sewer for groundwater subdivision resulting in return flows for recharge. Ex. Forbing Park, Jackson Acres.

Commission Recommendation: TBD

Policy 19 – All new development shall install water sense fixture, meet building and plumbing codes, and install low water use landscape.

Commission comment: ADWR's plant list contains an appeal process administered by ADWR. This removes control from the City and is undesirable. Apparently, the City has no administrative procedures to certify that a development is in compliance. How many inspections have found inappropriate plantings? How many corrective actions or citations have been issued. Are inspectors trained and qualified to correctly identify plants as being on ADWR's list? Does the use of ADWR listed plants actually reduce landscape water use? Are installed irrigation systems and timers correctly configured? We need answers to these questions, but I suspect that the answers do not currently exist.

There is no statement of the purpose of this policy, but I'll assume that the intent is to restrict landscape water use. However, this is another example of a policy that only indirectly addresses the purpose.

Staff comment: See comments on Policy 3 related to landscaping requirements in the Land Development Code.

Commission Recommendation: Develop City practices to address landscaping both before and post installation.

Policy 20 – Savings accrued to the effective date hereof, accumulated from the difference between the overall volumes of water allocated and actual and actual volumes consumed by projects that were put into Contract shall be retained in the WRMM as committed demand, and not used to support additional development.

Commission comment: Is this being monitored and enforced?

Commission comment: What is the retained allowance based on?

Staff comment: A method for determining this has not been created by staff. Also, please clarify that "allocated" pertains only to contracts.

Commission Recommendation: Council seeks from the policy development team what was prepared to execute this policy. If there was no procedure in place or prepared to manage this policy, then that needs to be addressed.

Policy 21 – Wells on any property to be served by City water must be officially abandoned through the ADWR as part of the approval of a water service application. The increase in groundwater allowance received for these wells shall be retained in the City's water portfolio, and not used to support additional development that is not identified as current, committed, or future within the WRMM

Commission comments: This is unclear.

Staff comments: A method for determining this has not been created by staff

Commission Recommendations: Council seeks from the policy development team what practices were in place or would be in place for staff to follow this policy. If a policy doesn't have the practices in place then it should not be included in a document to give the impression that certain actions are taking place that aren't.

Text comments (Sections 1-4)

Page 5 – How much of the 9,455.02 AF/year of groundwater has been allocated?

Page 5 – How much Alternative Water is there, is there a volume like above? How much have been allocated?

Page 5 – How much of the Alternative Water (imported) has been put in contract or allocated?

Page 5 – What is the plan for the Big Chino water supplies? What contracts are assigned, if any to this supply. How will this supply be used to reach safe-yield?

Page 8 – 5 year rolling average. **Note: a rolling average is not employed by the WRMM**

Page 8 – General Plan integration, is the city actually following the 2015 GP. It has been noted that the city has provided water not only outside City limits, but also outside of the 2015 GP. How does the current GP commit plan to incorporate the policies in the 2022 Water Management Policy?

Page 8 – How much does the city need to conserve to meet the demands in current areas served, how about in the General plan. Is there enough water to fully develop the general plan area?

Page 12 – What GPCD is the city striving to reach in the long-term? What ADWR requires or something lower? Will the GPCD need to be lower than the regulatory requirement to serve the entire GP area?

Page 13 – Does the City have back up supplies for times of drought? It is concerning that with two wells not in use due to PFAs that the city has stated in Council meetings that they may need to turn those back on for summer demands. Seem like the City hasn't employed planning to backup supplies during any interruption?

Page 14-15 – Is 1,978.44 AF sufficient to meet the proposed 2005 general plan? Does the City have additional commitments that may need to be carved out from this volume or when an appeal is requested and approved? For example:

Figure 8 - I was just looking at the water portfolio issue, section 4 and Figure 8. Note that we are currently allocating 100 AF per year for new development. Over 100 yrs, that comes to 10,000 AF. That is considerably more than our current portfolio. Of course, you could add in the 8,000 AF from the Big Chino. The Policy does not address the issue of the 100 yr D&O.

In 2020 (**Figure 8**), Total Demand is estimated at 14,529 AFY, leaving a remaining 1,978.44 AFY available for water budgeting.

Figure 8: Water Resource Management Model Demands

Figure 8 AFY quantities are provisional based on ADWR review of City's 2022 Decision and Order application.

Current Demand	9,328 AFY
Committed Demand	3,534 AFY
Projected Demand	1,667 AFY
Total Demand Estimate	14,529 AFY

Current Demand means the 100-year water demand for existing uses within the service area of a designation applicant or designated provider, based on the annual report for the previous calendar year.

Committed Demand means the 100-year water demand at build-out of all recorded lots that are not yet served water within the service area of a designation applicant or a designated provider.

Projected Demand means the 100-year water demand at build-out, not including committed or current demand, of customers reasonably projected to be added and plats reasonably projected to be approved within the designated provider's service area and reasonably anticipated expansions of the designated provider's service area.

Source: WRMM 2020

Other comments

Water Quality:

We should track water quality, including the PFOA contamination issue in the airport wells, as reports are received.

Basic Water Data:

Monthly report of the data that is included in the annual report to ADWR, for entire system: pumping volume, WWTP recovery volume, surface water collection volume, direct reuse volume, total recharge volume, leak ratio, system gpcd.

WRRM:

I suggest updating the WRRM much more frequently than annually. This is already an extremely useful tool, and it can become even more useful in monitoring usage trends.

Water use by sector (e.g. commercial, residential, multi-family, industrial, etc);

Number of connections;

Volume by rate tiers;

High water use events (big leaks by system or customers)

Water Conservation program:

Monthly incentive payments by type and water saved.

Educational outreach activity.

Water Budget:

Monthly water awards (including administrative) vs budget with running total and balance.

Landscape Water use:

For the entire system, analyze seasonal water use patterns (similar to graph below).

For post-2022 code developments, similarly, analyze seasonal water use.

For Prop 400 annexations, similarly, analyze seasonal water use.

List of enforcement events (both advisory and citation) of landscape code violations.

Permanent Recharge Water Volume (Prop 400):

Water delivered and wastewater volume returned, by month, by each annexed area.

Wastewater Return (Policy 10):

Water delivered and wastewater volume returned, by month, for each development.

Water Management:

It is critical to budget and manage our water portfolio to take into consideration the cause and effect, and consequences for police, fire, trash pickup, sewer capacity, road infrastructure and water delivery ability. Water is the key to sound growth management and lucid planning. We should not plan to grow beyond our capacity to provide service.